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CONFIDENTIAL SEOUL 001667

SIPDIS

E.O. 12958: DECL: 10 YEARS AFTER KOREAN REUNIFICATION TAGS: PREL SOCI ECON KN KS SUBJECT: ROK CONSIDERING MORE FOOD AID TO THE DPRK -- IF MONITORED

Classified By: POL M/C James L. Wayman. Reasons 1.4 (b/d).

Summary -----

11. (C) A senior Ministry of Unification (MOU) official told us that the October 16 inter-Korean Red Cross talks went unexpectedly badly. The North's delegation rejected South Korea's proposal to hold another round of family reunions and asked for a significant amount of food aid. Our contact related that the ROK offered 10,000 tons of corn, which the North accepted. The ROK is considering sending additional food aid (rice) to the DPRK but will require strict monitoring -- a condition that will be hard for North Korea to accept. The two Koreas are slated to have another round of talks that will likely focus on the resumption of tours to Mount Kumgang and Kaesong city, according to the MOU official. End Summary.

Gloomy Red Cross Talks

- 12. (C) Over lunch on October 20, MOU Director General for Intelligence and Analysis Yang Chang-seok told POL M/C that the October 16 inter-Korean Red Cross talks began on a "gloomy" note, with the North Korean delegation coming to the table without a customary opening statement. In the course of three, 40-minute sessions, the South Korean delegation proposed:
- -- Another round of family reunions in early 2010, which the North Koreans rejected immediately;
- -- Making use of a newly-built family reunion center, to which the DPRK delegation responded: "let's discuss that later"; and,
- -- Discussing the return of ROK Korean War POWs and abductees from the DPRK, a suggestion the North Koreans ignored.

Food Aid Request ______

 $\P 3$. (C) Toward the end of the talks, Yang explained, the DPRK delegation requested food aid. The South Korean delegation offered 10,000 tons of corn, which the North Koreans accepted, though they had hoped for a much more generous amount. Yang estimated the corn would be shipped after October 23, the final day of the National Assembly's annual MOU audit.

Considering Sending More, but Monitoring Required

14. (C) The DG related that the Blue House is considering

sending additional food aid to the North, this time rice not corn. The rice would be provided as a grant, however, and not as a loan, which had been the past ROK practice. The ROK would require strict monitoring, however, a condition that would be tough for the DPRK authorities to accept.

Next Step: Resumption of Kumgang/Kaesong Tours?

¶5. (C) Yang said the agenda for the next round of inter-Korean talks would be discussed soon at Panmunjom; the focus would likely be on the resumption of Kaesong city and Mount Kumgang tours. Yang commented that Kim Yang-gun, who heads the DPRK's United Front Department, is reportedly under pressure from Kim Jong-il (KJI) to implement the five-point agreement reached between KJI and Hyundai Chairwoman Hyun Jeong-eun on August 16.